



## MISSION STATEMENT:

To enhance the economic vitality of the community through result oriented policies and programming.

The purpose of the Economic Development Department is to present an economic vision for the City and to establish the objectives and policy framework within which this vision can be achieved, including specific implementation actions. The goal of economic development is to create an environment that will enable businesses to operate competitively and successfully, thereby providing the means for all citizens of the community to continually increase their standard of living. Successful business development requires the building and maintenance of several key economic foundations, including availability of a skilled labor force, access to capital, adaptable technology and research, a modern infrastructure, competitive tax and regulatory policies, and an attractive quality of life.



The Economic Development Department is the primary and lead agency in the implementation and coordination of economic development policies and programming for the City of Fresno. The core services of the Economic Development Department implement the objectives of the Economic Development Element of the General Plan. Result-oriented programming and projects focus on five key elements of economic vitality:

- Existing Business Retention and Expansion
- New Business Attraction
- Access to Capital
- Workforce Development
- Business Advocacy, Ombudsmanship, and Information

The Department will utilize coordination and partnering to achieve its objectives. The following provides a brief description of the key elements leading to success.

- **Existing Business Retention and Expansion:** Business retention represents all efforts to work with Fresno firms to reach their maximum profitability while utilizing the Fresno workforce. Efforts include, but are not limited to:
  - ▶ Business education and training.
  - ▶ Utilization of surveys and focus groups to identify and monitor business conditions in Fresno.
  - ▶ Capacity training for non-profit groups and organizations.
  - ▶ Distribution of information to businesses and residents on available incentives, access to capital, and workforce availability.
  - ▶ Active partnering with existing and new groups, agencies, and organizations to collaborate and maximize resources and results.
- **New Business Attraction:** During FY 2004, the Department will be the primary contact and coordinator for business recruitment for the City of Fresno. The Department will:
  - ▶ Partner with the Mayor's Regional Jobs Initiative (RJI) to identify highest and best opportunities for job development.
  - ▶ Identify and recruit companies to locate corporate or regional corporate offices, distribution centers, call centers, or other related entities to the City of Fresno.
  - ▶ Identify, attend, or exhibit in not less than six trade shows and professional conferences that meet the profile of companies being recruited.
  - ▶ Partner with the Economic Development Corporation (EDC), Redevelopment Agency and appropriate neighboring cities to attend trade shows and professional conferences compatible with Fresno's targeted businesses or clusters.
  - ▶ Work with job training and placement groups and organizations to match existing workforce demographics to companies being recruited.
- **Access to Capital:** For a company to grow, expand or, in some cases, locate and hire residents in Fresno, it needs access to affordable capital. During FY 2004, the Department will:
  - ▶ Utilize the Empowerment Zone's Bankers Roundtable to coordinate a Section 108 loan program that will be accompanied by a local Community Reinvestment Act (CRA) loan pool. The \$3 - 4 million fund will be monitored by the Empowerment Zone Board of Directors and administered by the Valley Small Business Council.
  - ▶ Apply for an additional \$500,000 Economic Development Administration (EDA) grant to augment an existing revolving loan pool currently administered by the Fresno Certified Development Corporation.

- **Workforce Development:** Be a clearing house for job development and employee training programs. The objectives are:
  - ▶ Utilize the Empowerment Zone Board of Directors and organizational structure to facilitate the improvement of neighborhood job development strategies, neighborhood commercial development, training programs, and capacity development.
  - ▶ Coordinate not less than four “job success” workshops and two “job fairs” matching citizen employment skills to available jobs.
  - ▶ Contact 16,800 households twice annually (32,000 contacts) regarding job assistance and EZ hiring benefits information.
  - ▶ Invite 16,800 households to attend “job success” and “job fair” workshops.
  - ▶ Work with groups, organizations, and agencies to ensure residents living in the Empowerment and Enterprise zones are aware of the various incentives available to employers and the value employers place on those incentives.
- **Business Advocacy, Ombudsmanship, and Information:** Actively identify and assist companies with regulatory, permitting, and related issues by providing accurate and one stop based information and/or acting as their representative within the City administrative structure.

The City's investment in Economic Development and the implementation of the programs listed above will ultimately reduce the burden on the General Fund. This outcome will allow the City of Fresno to continue to prosper and make progress on the improvement in education, the creation of jobs and the preservation of public safety.

**FY 2002/2003 ACCOMPLISHMENTS**

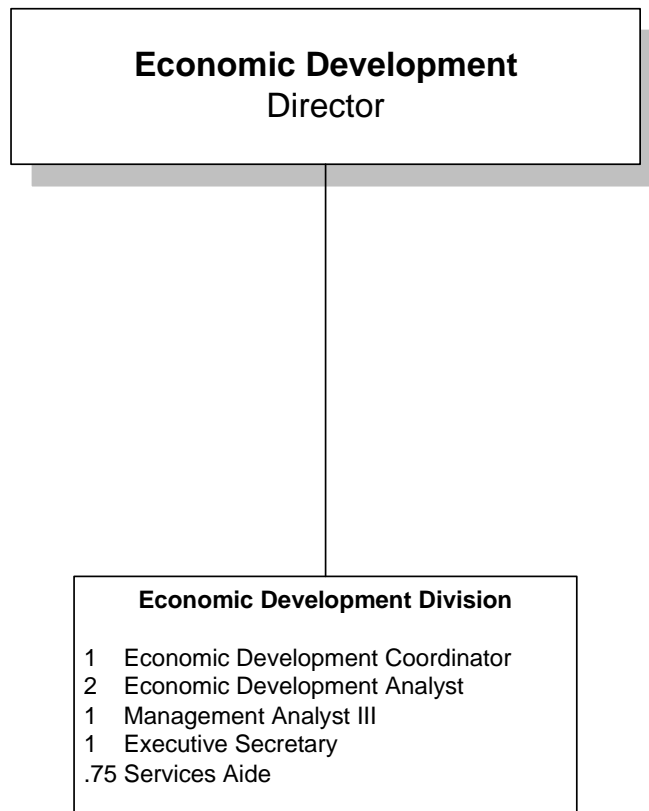
- The Division, with six job employment partners, conducted two “Steps to Success” workshops for an estimated 800 unemployed or underemployed people. These workshops were specifically targeted at Empowerment Zone residents.
- Designed a baseline “score card” tracking system to measure the effectiveness of public/private partnerships throughout the City. This “score card” tracking system will utilize 25 economic indicators to objectively and comprehensively examine the progress of the City’s public/private partnerships.
- The Economic Development Division, in partnership with Rapid Response, has processed 3,682 Enterprise Zone Tax Vouchers this fiscal year, which represents \$30,115,510 in net State tax savings to businesses located within the City’s Enterprise Zone.
- In partnership with Rapid Response, the Economic Development Division made 6,647 contacts to local Enterprise and Empowerment Zone businesses by way of site visits, phone calls, and direct mail.
- In partnership with Rapid Response, conducted three business workshops for 39 companies located in the Enterprise and Empowerment Zones.
- The Division brought the Empowerment Zone (EZ) Board of Directors and working committees on line. The Board represents over 40 community partnerships committed to increasing the economic health and wealth of the EZ residents and businesses.
- Conducted a “retreat” for the EZ Board of Directors designed to maintain a high level of momentum and understanding of EZ goals and objectives.
- Enhancement of an aggressive business attraction, recruitment, expansion, and retention program that included:
  - ▶ Showcased Fresno at three national trade shows resulting in 29 qualified “new to Fresno” business relocation leads.
  - ▶ Interviewed, visited, and assisted 127 existing Fresno businesses relative to business conditions, available incentives, financing availability and permit processing.
  - ▶ Designed and conducted a “Business Conditions” survey of the 500 largest companies in the Empowerment Zone.
  - ▶ Designed, produced, and distributed 5,400 quarterly business newsletters.
  - ▶ Designed, developed, produced, and distributed 250 Fresno marketing and demographic CD Roms.
  - ▶ Developed, implemented, upgraded, and maintained a dynamic Empowerment Zone website.
  - ▶ Designed, developed, produced, and distributed 350 business recruitment folders with updated business statistics, general City information, incentive zone information, etc.
  - ▶ Implemented the EZ Tax Incentive Utilization Plan (TIUP). This Plan periodically updates over 600 CPAs and tax accountants on Empowerment Zone benefits, incentives, and tax saving opportunities.

**FY 2003/2004 ISSUES**

- The absence of completed, ready to use buildings and infrastructure-ready land for commercial and industrial users is expected to be an ongoing challenge.
- Workers must be educated and trained to exercise judgement and apply critical problem solving skills to continually changing market demands.
- The rapid absorption of “Class A” and quality office space.
- The need for a blueprint with time lines and incremental goals that will permit the implementation of Vision 2010 and the accompanying need for a full range of housing options that is required to sustain related retail development.
- The need for targeted neighborhood commercial revitalization.
- The need for direct assistance to existing businesses that improves their capacity to operate efficiently and profitably , as well as their ability to increase sales and expand the job base.
- The need to improve/increase partnering opportunities to offset the loss of the Rapid Response Team and their professionally trained staff.
- The continued downturn in the California economy, coupled with rising utility and worker’s compensation costs, continue to make California a regressive state for businesses.
- Investment capital must be available that meet the needs of businesses at specific points in their evolution. The Economic Development Department will explore the options available to create an improved level of access to the capital that is required for business expansion and development, and report back to the Mayor and Council.



ORGANIZATION CHART - FY 2004



6.00 Permanent Full-Time Positions  
0.75 Temporary Full-Time Positions  
6.75 Authorized Positions

## AUTHORIZED POSITIONS SUMMARY

<b>DIVISION</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Economic Development Division	5.00	6.50	6.75
<b>TOTAL</b>	<b>5.00</b>	<b>6.50</b>	<b>6.75</b>

## AUTHORIZED POSITIONS

<b><u>Economic Development Division</u></b>	<b>Authorized Positions</b>		<b>Budgeted Positions</b>
<b>Title</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>PERMANENT FULL-TIME</b>			
Deputy City Manager	1.00	0.00	0.00
Executive Secretary	1.00	0.00	1.00
Secretary	1.00	0.00	0.00
Staff Assistant	1.00	1.00	0.00
Management Analyst III	0.00	1.00	1.00
Economic Development Analyst	1.00	1.00	2.00
Economic Development Director	0.00	0.00	1.00
Economic Development Mgr	0.00	1.00	0.00
Economic Development Coordinator	0.00	0.00	1.00
Housing & Neigh Revital Mgr	0.00	1.00	0.00
<b>Full-Time Total</b>	<b>5.00</b>	<b>5.00</b>	<b>6.00</b>
<b>TEMPORARY WAGES</b>			
Services Aide	0.00	1.50	0.75
<b>FTE Total</b>	<b>0.00</b>	<b>1.50</b>	<b>0.75</b>
<b>Division Total</b>	<b>5.00</b>	<b>6.50</b>	<b>6.75</b>

**Reconciliation of Position Changes FY 2003 Adopted to FY 2004 Submission**

FY 2003 Adopted	6.50
Transfer of Manager Position from HECD Administration	1.00
Net Change in Economic Development	(.75)
<b>FY 2004 Adopted</b>	<b>6.75</b>

## MANAGEMENT BY OBJECTIVE

MBO	Measure	Performance	
		FY 2003	FY 2004
<b>Existing Business Retention and Expansion:</b> Work with Fresno firms to maximize their profits and their use of the Fresno workforce.	Response time for all routine inquiries.	N/A	24 hours
	Response time for inquiries that require interdepartmental consultation or research.	N/A	72 hours
	Number of businesses contacted regarding the benefits of Fresno Incentive Zones.	N/A	10,800
	Number of businesses attending training programs on operating efficiently.	N/A	200
	Percentage of CPAs and businesses provided information on Fresno Incentive Zones.	N/A	95%
	Annually survey CPAs and EZ businesses to determine the use of EZ tax credits and other business incentives.	N/A	3,300
	Number of new firms (entrepreneurs) assisted in transitioning to the mainstream business economy.	N/A	12



## MANAGEMENT BY OBJECTIVE

MBO	Measure	Performance	
		FY 2003	FY 2004
<b>New Business Attraction:</b> Be the primary contact and coordinator for business recruitment for the City of Fresno.	Attend or exhibit at tradeshow / professional conferences that meet priority company profiles.	N/A	6
	Submit articles to local, regional or national media featuring Fresno as a "good place to do business".	N/A	12
	Upgrade the quality of the image and information available via the Department website at <a href="http://www.fresnoez.com">www.fresnoez.com</a> .	N/A	4
<b>Workforce Development:</b> Be a clearing house for job development and employee training programs.	Number of households invited to attend neighborhood job fairs.	N/A	16,800
	Number of household contacts regarding job assistance and EZ hiring benefits information.	N/A	32,000
	Conduct "job success" workshops and "job fairs" that match citizen employment skills to available jobs.	N/A	6
<b>Business Advocacy, "Ombudsmanship" and Information:</b> Actively identify/assist companies with regulatory, permitting and related issues, by providing accurate and "one stop" based information, and/or being their representatives within City Hall.	Coordinate, in conjunction with Council members, business focus groups to identify business related uses that pertain to City policies and processes.	N/A	14 ( Two per Council District)

**UNFUNDED NEEDS**

- Professional Services/Consulting: To provide supplemental funding to the EDC in activities such as industrial/manufacturing recruitment, industrial site survey, and updated demographics. Funds would also be used to construct a comprehensive public sector financial strategy that would allow the City to develop requests for proposal (RFP) related to “real time” economic development projects.  
Cost: \$5,000
- Training: To provide additional training related to capital access in California, retail trends and analysis, economic pro forma analysis, and volunteer workforces.  
Cost: \$2,000
- Travel & Conference: To cover the costs associated with attending over eight trade shows, providing “onsite” marketing to serious business recruitments, and Washington D. C. meetings related to Round III EZs.  
Cost: \$7,500
- Special Projects: The Department is proposing a “Retail Renaissance Program” which will target retail businesses within the EZ and surrounding areas. It would include an initial business evaluation, followed by business success training on issues such as trends analysis, cooperative purchasing, window display, marketing/advertising, and store layout.  
Cost: \$5,000
- Membership & Dues: Request includes memberships for the Fresno Area Chamber of Commerce, the San Joaquin Chamber of Commerce, International Council of Shopping Centers (ICSC), the National Main Street Center, California Association of Local Economic Development (CalEd), and the International Economic Development Council.  
Cost: \$1,500

**BUDGET COMMENTS**

- The Economic Development Department was created as a result of the reorganization of the Housing, Economic, and Community Development Department. As a result of this reorganization, one HNR manager and one Executive Secretary have been transferred to Economic Development's staff, and portions of other positions which were partially allocated to other HECD activities (ie. the Economic Development Manager and the previous Management Analyst III) are now fully allocated to Economic Development. In addition to employee service costs, an additional \$39,100 in interdepartmental charges have also been absorbed as a result of this reorganization. The net effect of this reorganization to the General Fund is an increase of approximately \$103,600.
- The Department's adopted budget includes an additional \$25,600 to continue production of the quarterly and semi-annual newsletters mailed to the 2,600 businesses and the 16,800 households located within in the Empowerment Zone.
- The Department's adopted budget includes \$14,600 to implement a dynamic "direct marketing" campaign targeting developers, site selectors, major retailers, established businesses, and potential businesses at state and national trade shows. The marketing campaign will focus on making Fresno competitive with cities of similar size.
- The Fresno County Economic Development Corporation (FEDC) payment of \$300,000 has been placed in contingency pending a presentation by the FEDC on how past payments have been utilized to benefit the City of Fresno.



**DEPARTMENT FUNDING BY SOURCE**

<b>Fund</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2004</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Adopted</b>
Enterprise Zone Fund	\$ 0	\$ 81,800	\$ 284,900	\$ 409,100	<b>\$ 409,100</b>
General Fund	375,600	292,000	644,400	747,900	<b>747,900</b>
<b>TOTAL</b>	<b>\$ 375,600</b>	<b>\$ 373,800</b>	<b>\$ 929,300</b>	<b>\$ 1,157,000</b>	<b>\$ 1,157,000</b>

**DEPARTMENT SUMMARY APPROPRIATIONS**

	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2004</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Adopted</b>
Economic Development	\$ 375,600	\$ 373,800	\$ 929,300	\$ 1,157,000	<b>\$ 1,157,000</b>
<b>TOTAL</b>	<b>\$ 375,600</b>	<b>\$ 373,800</b>	<b>\$ 929,300</b>	<b>\$ 1,157,000</b>	<b>\$ 1,157,000</b>

**Economic Development Department****DIVISION: 270100 Economic Development Division****FUND: 10101 General Fund**

Account Number	Description	FY 01 Actuals	FY 02 Actuals	FY 03 Adopted	FY 04 Proposed	FY 04 Adopted
<b>PERSONNEL SERVICES</b>						
51101	Permanent Salaries	169,278	109,607	154,600	233,400	233,400
51102	Fringe	22,507	13,573	16,300	25,300	25,300
51103	Employee Leave Payoff	11,500	3,137	10,000	10,500	10,500
51201	Non-Permanent Salaries	10,403	-13	0	0	0
51202	Non-Permanent Fringe	747	-19	0	0	0
51301	Overtime	37	0	0	0	0
51501	Contract Extra Help	10,128	0	0	0	0
52302	Gen Svc Pens Oblig Bnd Dbt Svc	0	0	0	2,100	2,100
52601	Worker's Compensation	0	0	0	5,800	5,800
52901	Recurring Vehicle Allowance	5,700	4,680	7,200	7,200	7,200
	<b>Total Personnel Services</b>	<b>230,300</b>	<b>130,965</b>	<b>188,100</b>	<b>284,300</b>	<b>284,300</b>
<b>NON PERSONNEL SERVICES</b>						
53302	Prof Svcs/Consulting - Outside	50	341	306,900	300,000	0
53303	Public Relations & Information	368	8,127	1,000	1,000	1,000
53402	Specialized Services /Tech	32	226	2,500	2,500	2,500
54303	Service Contracts-Office Equip	25	0	0	0	0
55501	Printing & Binding-O/S Vendor	73	1,813	3,000	3,000	3,000
55801	Training	1,757	530	0	0	0
55803	Travel & Conference	5,811	9,373	7,500	7,500	7,500
55804	Misc. Subsistence Expense	952	809	0	0	0
56102	Office Equipment-Under 300	0	1,671	0	0	0
56106	Postage	165	152	1,000	1,000	1,000
56107	Office Supplies	2,677	599	2,000	2,000	2,000
57411	New Machinery & Equipment	0	4,876	0	0	0
58002	Outside Agency Support	9,947	0	10,000	5,000	5,000
58004	Special Projects	8,377	6,549	5,600	5,000	5,000
58005	Miscellaneous Expenditures	2,204	302	1,500	1,500	1,500
58016	Membership & Dues	200	1,100	6,500	2,500	2,500
58017	Subscriptions & Publications	60	322	2,100	800	800
59102	City Attorney-Variable Charge	17,632	25,484	25,700	10,800	10,800
59103	Variable Charges-Budget (BMSD)	4,651	4,600	7,000	5,400	5,400
59105	Purchasing - Variable Charge	0	152	0	0	0
59106	Variable Charges For HR-Oper	15	45	4,500	4,500	4,500
59107	Training Unit Charges HR	0	0	0	400	400
59108	Variable Charges For HR-Lab RI	0	0	0	700	700
59109	Variable Charges For Finance	2,987	1,700	1,800	1,800	1,800
59114	Internal Audit Var Chgs	1,776	1,700	1,100	600	600
59302	Info Systems Service Charge	11,088	6,100	0	7,000	7,000
59303	Info Systems Equip Charge	14,405	9,109	0	4,500	4,500
59304	Property Self-Insurance Chgs	99	400	100	100	100
59305	Liability Self-Insurance Chgs	99	100	100	100	100
59306	Chgs For Msngr/Mail/Copier Svc	4,461	13,134	4,900	5,000	5,000
59307	Charges For Telephone Service	9,196	2,811	3,300	2,700	2,700
59308	Charges For Elec & Comm Svcs	-67	0	0	0	0
59309	Facilities Management Charges	21,700	24,600	20,800	29,700	29,700

**Economic Development Department****DIVISION: 270100 Economic Development Division****FUND: 10101 General Fund**

Account Number	Description	FY 01 Actuals	FY 02 Actuals	FY 03 Adopted	FY 04 Proposed	FY 04 Adopted
<b>NON PERSONNEL SERVICES</b>						
59314	City Hall Rent	24,534	34,266	37,400	58,500	58,500
	<b>Non Personnel Services</b>	<b>145,274</b>	<b>160,991</b>	<b>456,300</b>	<b>463,600</b>	<b>163,600</b>
<b>CONTINGENCY</b>						
61001	Contingency/Reserve	0	0	0	0	300,000
	<b>Contingency</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300,000</b>
<b>FUND TOTAL</b>		<b>375,574</b>	<b>291,956</b>	<b>644,400</b>	<b>747,900</b>	<b>747,900</b>

**Economic Development Department****DIVISION: 270100 Economic Development Division****FUND: 24006 Enterprise Zone Fund**

Account Number	Description	FY 01 Actuals	FY 02 Actuals	FY 03 Adopted	FY 04 Proposed	FY 04 Adopted
<b>PERSONNEL SERVICES</b>						
51101	Permanent Salaries	0	17,043	105,100	180,200	180,200
51102	Fringe	0	3,486	16,300	20,800	20,800
51103	Employee Leave Payoff	0	0	0	7,600	7,600
51201	Non-Permanent Salaries	0	14,271	32,700	16,200	16,200
51202	Non-Permanent Fringe	0	1,092	2,000	1,000	1,000
51301	Overtime	0	0	2,000	0	0
51404	Employee Awards	0	2,131	0	0	0
52302	Gen Svc Pens Oblig Bnd Dbt Svc	0	0	0	4,300	4,300
52601	Worker's Compensation	0	0	0	700	700
52901	Recurring Vehicle Allowance	0	450	5,400	5,400	5,400
	<b>Total Personnel Services</b>	<b>0</b>	<b>38,473</b>	<b>163,500</b>	<b>236,200</b>	<b>236,200</b>
<b>NON PERSONNEL SERVICES</b>						
53302	Prof Svcs/Consulting - Outside	0	0	20,000	20,000	20,000
53303	Public Relations & Information	0	2,627	50,000	64,600	64,600
53402	Specialized Services /Tech	0	32	0	0	0
55501	Printing & Binding--O/S Vendor	0	16,338	5,000	19,000	19,000
55801	Training	0	140	0	0	0
55803	Travel & Conference	0	245	21,300	21,300	21,300
55804	Misc. Subsistence Expense	0	0	1,000	1,000	1,000
55805	Mileage Reimbursement-Nonrecur	0	0	300	300	300
56102	Office Equipment--Under 300	0	0	1,000	1,000	1,000
56106	Postage	0	465	3,000	14,600	14,600
56107	Office Supplies	0	0	2,300	2,300	2,300
58004	Special Projects	0	8,268	10,000	15,000	15,000
58005	Miscellaneous Expenditures	0	0	1,500	1,500	1,500
58016	Membership & Dues	0	200	1,000	1,000	1,000
58017	Subscriptions & Publications	0	0	2,000	2,000	2,000
59105	Purchasing - Variable Charge	0	82	0	0	0
59106	Variable Charges For HR-Oper	0	15	0	0	0
59107	Training Unit Charges HR	0	0	0	100	100
59108	Variable Charges For HR-Lab Rl	0	0	0	200	200
59302	Info Systems Service Charge	0	0	0	4,400	4,400
59303	Info Systems Equip Charge	0	14,725	3,000	3,300	3,300
59306	Chgs For Msngr/Mail/Copier Svc	0	0	0	600	600
59307	Charges For Telephone Service	0	165	0	700	700
	<b>Non Personnel Services</b>	<b>0</b>	<b>43,302</b>	<b>121,400</b>	<b>172,900</b>	<b>172,900</b>
	<b>FUND TOTAL</b>	<b>0</b>	<b>81,775</b>	<b>284,900</b>	<b>409,100</b>	<b>409,100</b>

